

VILLAGE OF WEBBERVILLE
INGHAM COUNTY, MICHIGAN

REPORT ON FINANCIAL STATEMENTS
(with required supplementary and
additional information)

YEAR ENDED MARCH 31, 2008

Auditing Procedures Report

Instructions and MuniCodes

*=Required Fields

Reset Form

Issued under Public Act 2 of 1968, as amended. (V1.07)

Unit Name* VILLAGE OF WEBBERVILLE	County* INGHAM	Type* VILLAGE	MuniCode* 33-3-030
Opinion Date-Use Calendar* Sep 16, 2008	Audit Submitted-Use Calendar* Dec 19, 2008	Fiscal Year End Month* 03	Fiscal Year* 2008

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No."

- ☒ ☐ 1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
- ☒ ☐ 2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
- ☐ ☐ 3. Were the local unit's actual expenditures within the amounts authorized in the budget?
- ☒ ☐ 4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
- ☒ ☐ 5. Did the local unit adopt a budget for all required funds?
- ☒ ☐ 6. Was a public hearing on the budget held in accordance with State statute?
- ☒ ☐ 7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
- ☒ ☐ 8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
- ☒ ☐ 9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
- ☒ ☐ 10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
- ☒ ☐ 11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
- ☐ ☐ 12. Is the local unit free of repeated reported deficiencies from previous years?
- ☒ ☐ 13. Is the audit opinion unqualified? 14. If not, what type of opinion is it? NA
- ☒ ☐ 15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
- ☒ ☐ 16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
- ☐ ☐ 17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
- ☒ ☐ 18. Are there reported deficiencies? ☒ 19. If so, was it attached to the audit report?

General Fund Revenue:	<input type="checkbox"/> \$ 810,191.00
General Fund Expenditure:	<input type="checkbox"/> \$ 676,387.00
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	<input type="checkbox"/> \$ 56,226.00
Governmental Activities Long-Term Debt (see instructions):	<input type="checkbox"/> \$ 145,000.00

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (reported deviations).

CPA (First Name)* GERALDINE	Last Name* TERRY	Ten Digit License Number* 1101026880		
CPA Street Address* 217 N WASHINGTON ST	City* OWOSSO	State* MI	Zip Code* 48867	Telephone* +1 (989) 723-8227
CPA Firm Name* DEMIS & WENZLICK, P.C.	Unit's Street Address* 217 N Washington ST. Ste 20	Unit's City* OWOSSO	Unit's Zip* 48867	

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VILLAGE OF WEBBERVILLE
LIST OF COUNCIL MEMBERS
MARCH 31, 2008

VILLAGE COUNCIL

John Leonard	President
Tom Oliver	President Pro-Tem
Robert R. Ackerman	Trustee
Robert W. Ackerman	Trustee
Alice Schad	Trustee

ADMINISTRATIVE OFFICERS

Rachel Howd	Clerk/Treasurer
Jaymee Hord	Deputy Clerk/Deputy Treasurer



DEMIS and WENZLICK, P.C.

Certified Public Accountants

217 N. Washington Street
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James Demis, Jr., C.P.A.
LaVearn G. Wenzlick, C.P.A.
Lori S. Chant, C.P.A.
Geraldine Terry, C.P.A.

Tracy Bublitz
Vickie Clayton
Carol Demis
Jeannette Gaitskill
Kathy Kimmerer
Erica Marks
Janis Mead
Tammy Pappas
David Pullen
Dean Roach
Vicki Schuler
Joyce Simmons
Barbara Wenzlick
Bruce Wenzlick

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the Village Council
Village of Webberville
Webberville, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, major funds and the aggregate remaining fund information of the Village of Webberville as of and for the year ended March 31, 2008, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, major funds, and the aggregate remaining fund information of the Village of Webberville as of March 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof, of the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and budgetary comparison information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Webberville's basic financial statements. The accompanying other supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Dennis and Wenzel, P.C.

Certified Public Accountants

Owosso, Michigan
September 16, 2008

VILLAGE OF WEBBERVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
INGHAM COUNTY, MICHIGAN
MARCH 31, 2008

The following is a discussion and analysis of Village of Webberville's (the Village's) financial performance and position, providing an overview of the activities for the year ended March 31, 2008. This analysis should be read in conjunction with the Independent Auditor's Report and with the Village's financial statements, which follow this section.

Financial Results

On the Government Wide basis, the following represents the most significant financial highlights for the year ended March 31, 2008:

Revenues from governmental activities were \$1,118,788 compared to \$1,021,339 for the prior year. Expenditures were \$870,844 compared to \$840,163 the prior year. Net assets for governmental activities increased \$93,170.

Income from business type activities was \$408,901 compared to \$414,314 for the prior year. Expenses were \$411,789 compared to \$465,582 for the prior year.

Component unit activities had an increase of \$9,172 in net assets.

Using this Annual Report

This annual report consists of series of financial statements. The statement of net assets and the statement of activities provide information about the activities of Village of Webberville as a whole and represent a longer-term view of the Village's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the operations of Village of Webberville in more detail than the government-wide financial statements by providing information about the Village's most significant funds.

VILLAGE OF WEBBERVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
INGHAM COUNTY, MICHIGAN
MARCH 31, 2008

Village as a Whole

The following table shows, in a condensed format, the net assets of the Village as of March 31, 2008:

Current Assets	\$1,676,195
Capital Assets (Net of Depreciation)	<u>4,742,201</u>
Total Assets	<u>\$6,418,396</u>
Current Liabilities	\$ 351,410
Non Current Liabilities/Long-Term	<u>1,700,000</u>
Total Liabilities	<u>\$2,051,410</u>
Net Assets	<u>\$4,366,986</u>

The following table shows the change in net assets for the year ended March 31, 2008:

Program Revenues:	
Charges for Services – Governmental Activities	\$ 52,330
Charges for Services – Business-Type Activities	408,901
General Revenues:	
State Shared Revenues/Metro Act Fund	\$ 280,891
Property Tax Revenue	685,159
Licenses and Permits	4,400
Investment Income	51,958
Other General Revenues	<u>70,558</u>
Total Revenues	<u>\$1,554,197</u>
Program Expenses:	
General Government	\$ 231,833
Public Safety (Police)	322,515
Public Works	304,959
Recreation and Culture	2,692
Interest on Long-Term Debt	8,845
Water and Sewer	<u>411,789</u>
Total Expenses before Net Transfers	\$1,282,633
Net Transfers between General Government and Component Unit	<u>63,706</u>
Total Expenses including Net Transfers	<u>\$1,346,339</u>
Change in Net Assets	<u>\$ 207,858</u>

VILLAGE OF WEBBERVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
INGHAM COUNTY, MICHIGAN
MARCH 31, 2008

Entity-Wide Financial Statements

The entity-wide statements report information about the Village as a whole using accounting methods used by private companies. The statement of net assets includes all of the Village's assets and liabilities. The statement of activities records all of the current year revenues and expenses regardless of when received or paid.

The two entity-wide statements report net assets and how they have changed. Net assets are the difference between the entity's assets and liabilities and this is one method to measure the entity's financial health or position.

Over time increases/decreases in the entity's net assets are an indicator of whether financial position is improving or deteriorating.

To assess overall health of the entity, you may also have to consider additional factors such as tax base changes, facility conditions and personnel changes.

All of the activities of the Village are reported as governmental activities, business-type activities and component unit activities. Governmental activities include the General Fund, Special Revenue Funds, Capital Project Funds, and New Equipment Funds and all Internal Service Funds. Business activities include Sewer Enterprise and Water Enterprise Funds. The Village also has a discretely presented component unit that is presented in a separate column.

Fund Financial Statements

The fund financial statements provide more detailed information about the Village's funds, focusing on significant (major) funds not the Village as a whole. Funds are used to account for specific activities or funding sources. Some funds are required by law or bond covenants. The Village Council also may create them. Funds are established to account for funding and spending of specific financial resources and to show proper expenditures of those resources.

The Village has the following types of funds:

Governmental Funds – Some of the Village's activities are included in the governmental fund category. These funds are presented on the modified accrual basis, which is designed to show short-term financial information. You will note that the differences between the Village's entity-wide statements and the fund statements are disclosed in reconciling statements to explain the differences between them. The Village's funds include General, Municipal Street, Local Street, Major Street, Drain Fund, Sidewalk Fund, Building Authority, New Equipment Fund.

VILLAGE OF WEBBERVILLE
INGHAM COUNTY, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2008

Business-Type Funds: The Village has a Water Fund and a Sewer Fund which includes the activities of providing water and sewer to Village residents.

Discretely Presented Component Unit: The Village has a Downtown Development Authority. The Authority function is to promote the revitalization within the Village. The fund is presented on the modified accrual basis, which is designed to show short-term financial information. You will note that the differences between the Village's entity-wide statement and the fund statement are disclosed in reconciling statements to explain the differences between them.

Financial Analysis of the Village as a Whole

Our cash position in both the governmental and business-type activities remains strong.

Financial Analysis of the Village's Funds

The General Fund had an increase in fund balance of \$17,282, Municipal Street had a decrease of \$(17,671), Major Street had an increase of \$35,921, Local Street increased fund balance by \$110, Drain Fund had a decrease in fund balance of \$(11,332), Sidewalk Fund had an increase of \$22,208, Building Authority increased fund balance by \$90, and New Equipment had a decrease in fund balance of \$(421).

The Sewer Enterprise Fund had an increase in net assets of \$58,436 and the Water Enterprise Fund increased net assets by \$56,252.

The Downtown Development Authority had a decrease in fund balance of \$(78,607).

Capital Asset and Long-Term Debt Activity

The Village's governmental activities invested \$51,654 in capital assets.

The Village's business-type activities paid \$160,000 of principal on long-term debt.

The Village's component unit activities paid \$87,781 of principal on long-term debt.

Known Factors Affecting the Future Operations

The future of state revenue sharing is very clouded and it represents a significant portion of our income.

Contacting the Village's Management

This financial report is intended to provide our taxpayers, creditors, investors, and customers with a general overview of the Village's finances and to demonstrate the Village's accountability for the revenues it receives. If you have any questions concerning this report, please contact the Village Clerk/Treasurer at (517) 521-3984.

BASIC FINANCIAL STATEMENTS

VILLAGE OF WEBBERVILLE
GOVERNMENT-WIDE STATEMENT OF NET ASSETS
MARCH 31, 2008

	<u>Primary Government</u>			
	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>	<u>Component</u>
	<u>Activities</u>	<u>Activities</u>		<u>Unit</u>
ASSETS				
Cash & Cash Equivalents	\$ 641,153	\$ 738,259	\$1,379,412	\$ 456,478
Receivables	32,222	86,736	118,958	
Internal Balances	17,533		17,533	
Due from Other Gov't Units	91,429		91,429	31,241
Other Assets		68,863	68,863	
Capital Assets (Net)	<u>730,706</u>	<u>4,011,495</u>	<u>4,742,201</u>	<u>757,926</u>
TOTAL ASSETS	<u>\$1,513,043</u>	<u>\$4,905,353</u>	<u>\$6,418,396</u>	<u>\$1,245,645</u>
LIABILITIES				
Accounts Payable	\$ 93,811	\$ 9,632	\$ 103,443	\$ 6,268
Accrued & Other Liabilities	8,895	49,072	57,967	9,255
Noncurrent Liabilities:				
Due within one year	25,000	165,000	190,000	31,663
Due in more than one year	<u>120,000</u>	<u>1,580,000</u>	<u>1,700,000</u>	<u>305,681</u>
TOTAL LIABILITIES	<u>\$ 247,706</u>	<u>\$1,803,704</u>	<u>\$2,051,410</u>	<u>\$ 352,867</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	\$ 585,706	\$2,266,495	\$2,852,201	\$ 420,582
Reserved for Restricted Assets		340,023	340,023	
Unreserved:				
Unreserved	<u>679,631</u>	<u>495,131</u>	<u>1,174,762</u>	<u>472,196</u>
TOTAL NET ASSETS	<u>\$1,265,337</u>	<u>\$3,101,649</u>	<u>\$4,366,986</u>	<u>\$ 892,778</u>

See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
GOVERNMENT WIDE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2008

		<u>Program Revenues</u>	<u>Net (Expenses) Revenues and Changes in Net Assets</u>			
	<u>Expenses</u>	<u>Charges For Services</u>	<u>Gov't Activities</u>	<u>Business Type Activities</u>	<u>Totals</u>	<u>Component Unit</u>
FUNCTIONS/PROGRAMS						
PRIMARY GOVERNMENT						
Governmental Activities:						
General Government	\$ 231,833	\$ 52,330	\$ (179,503)	\$	\$ (179,503)	\$(405,911)
Public Safety	322,515		(322,515)		(322,515)	
Public Works	304,959		(304,959)		(304,959)	
Recreation & Culture	2,692		(2,692)		(2,692)	
Interest on LT Debt	<u>8,845</u>		<u>(8,845)</u>		<u>(8,845)</u>	
TOTAL GOVT ACTIVITIES	\$ <u>870,844</u>	\$ <u>52,330</u>	\$ <u>(818,514)</u>	\$ <u></u>	\$ <u>(818,514)</u>	\$(405,911)
Business-Type Activities:						
Sewer	\$ 222,918	\$233,121	\$	\$ 10,203	\$ 10,203	\$
Water	<u>188,871</u>	<u>175,780</u>		<u>(13,091)</u>	<u>(13,091)</u>	
TOTAL BUSINESS- TYPE ACTIVITIES	\$ <u>411,789</u>	\$ <u>408,901</u>	\$ <u>(818,514)</u>	\$ <u>(2,888)</u>	\$ <u>(2,888)</u>	\$ <u></u>
TOTAL PRIMARY GOVT.	\$ <u>1,282,633</u>	\$ <u>461,231</u>	\$ <u>(818,514)</u>	\$ <u>(2,888)</u>	\$ <u>(821,402)</u>	\$(405,911)
General Revenues:						
Property Taxes			\$ 677,567	\$	\$ 677,567	\$ 336,364
Special Assessments			7,592		7,592	
State Shared Revenue/Metro Act			280,891		280,891	
Unrestricted Investment Earnings			25,450	26,508	51,958	14,064
Licenses & Permits			4,400		4,400	
Miscellaneous Other Revenue			70,558		70,558	948
Transfers – Net			<u>(154,774)</u>	<u>91,068</u>	<u>(63,706)</u>	<u>63,707</u>
TOTAL GENERAL REVENUES & TRANSFERS			\$ <u>911,684</u>	\$ <u>117,576</u>	\$ <u>1,029,260</u>	\$ <u>415,083</u>
Change in Net Assets			\$ 93,170	\$ 114,688	\$ 207,858	\$ 9,172
Net Assets – Beginning			<u>1,172,167</u>	<u>2,986,961</u>	<u>4,159,128</u>	<u>883,606</u>
NET ASSETS – ENDING			\$ <u>1,265,337</u>	\$ <u>3,101,649</u>	\$ <u>4,366,986</u>	\$ <u>892,778</u>

See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2008

	<u>General</u>	<u>Municipal Street</u>	<u>Non-Major Gov't Funds</u>	<u>Total Gov't Funds</u>
ASSETS				
Cash & Cash Equiv.	\$132,277	\$40,523	\$461,464	\$634,264
Receivables	14,112	172	17,938	32,222
Due from Other Funds	20,014	705	6,382	27,101
Due from State of Michigan	<u>19,305</u>	<u> </u>	<u>72,124</u>	<u>91,429</u>
TOTAL ASSETS	<u>\$185,708</u>	<u>\$41,400</u>	<u>\$557,908</u>	<u>\$785,016</u>
 LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 93,047	\$	\$ 673	\$ 93,720
Due to Other Funds	4,599		4,969	9,568
Payroll Taxes Payable	3,211		2,059	5,270
Accrued Interest Payable	3,625			3,625
Current Portion-Bonds Payable	<u>25,000</u>	<u> </u>	<u> </u>	<u>25,000</u>
TOTAL LIABILITIES	<u>\$129,482</u>	<u>\$</u>	<u>\$ 7,701</u>	<u>\$137,183</u>
 FUND BALANCE				
Unreserved				
Other Undesignated	<u>\$ 56,226</u>	<u>\$41,400</u>	<u>\$550,207</u>	<u>\$647,833</u>
TOTAL FUND BALANCE	<u>\$ 56,226</u>	<u>\$41,400</u>	<u>\$550,207</u>	<u>\$647,833</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$185,708</u>	<u>\$41,400</u>	<u>\$557,908</u>	<u>\$785,016</u>

See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
MARCH 31, 2008

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS	\$ 647,833
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Total Net Assets Reported for Governmental Activities in the Statement of Net Assets is different because:

Capital Assets used in Governmental Activities are not Financial Resources and are not reported in the funds

The Cost of Capital Assets	\$1,215,299	
Accumulated Depreciation	<u>(544,595)</u>	
Capital Assets, Net	\$ 670,704	670,704

Long-Term liabilities are not due and payable in the current period. Therefore are not reported on in the Governmental Funds Balance Sheet

Long-term liabilities at year end consist of Building Authority Bonds	(120,000)
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An internal service fund is used by management to charge the costs of certain equipment usage to individual funds. A portion of the assets and liabilities of the internal service fund are included in internal service fund are included in governmental activities in the statement of net assets.

66,800

NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$1,265,337</u>
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See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED MARCH 31, 2008

	<u>General</u>	<u>Municipal Street</u>	<u>Non-Major Gov't Funds</u>	<u>Total Gov't Funds</u>
REVENUES				
Taxes	\$ 513,265	\$ 131,143	\$ 40,751	\$ 685,159
Licenses & Permits	4,400			4,400
State Shared Revenues/ Highway Funds	162,945		113,483	276,428
Metro Act			4,463	4,463
Charges for Services	52,330			52,330
Fines & Forfeitures	6,680			6,680
Interest & Rentals	18,696	2,238	15,365	36,299
Other Revenue	<u>51,875</u>		<u>944</u>	<u>52,819</u>
TOTAL REVENUES	\$ <u>810,191</u>	\$ <u>133,381</u>	\$ <u>175,006</u>	\$ <u>1,118,578</u>
EXPENDITURES				
Current				
Legislative	\$ 14,375	\$	\$	\$ 14,375
General Gov't.	189,931			189,931
Public Safety	322,515			322,515
Public Works	113,029		206,718	319,747
Recreation & Culture	2,692			2,692
Capital Outlay			1,712	1,712
Debt Service	33,845			33,845
Ingham Co. Drain		<u>32,800</u>		<u>32,800</u>
TOTAL EXPEND.	\$ <u>676,387</u>	\$ <u>32,800</u>	\$ <u>208,430</u>	\$ <u>917,617</u>
EXCESS OF REVENUES OVER EXPEND.				
	\$ <u>133,804</u>	\$ <u>100,581</u>	\$ <u>(33,424)</u>	\$ <u>200,961</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 30,000	\$	\$ 80,000	\$ 110,000
Transfers Out	(146,522)	(80,000)		(226,522)
Transfers Out-Component		<u>(38,252)</u>		<u>(38,252)</u>
TOTAL FINANCING SOURCES & USES	\$ <u>(116,522)</u>	\$ <u>(118,252)</u>	\$ <u>80,000</u>	\$ <u>(154,774)</u>
Net Change in Fund Bal.	\$ 17,282	\$ (17,671)	\$ 46,576	\$ 46,187
Fund Balance-Beginning	<u>38,944</u>	<u>59,071</u>	<u>503,631</u>	<u>601,646</u>
FUND BALANCE – ENDING	\$ <u>56,226</u>	\$ <u>41,400</u>	\$ <u>550,207</u>	\$ <u>647,833</u>

See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2008

Net Change in Fund Balances – Total Governmental Funds	\$ 46,187
--	-----------

Total Change in Net Assets Reported for Governmental Activities
in the Statement of Activities is different because:

Governmental Funds report capital outlays as expenditures.
However, in the statement of activities the cost of those assets
are allocated over their estimated useful lives and reported as
depreciation expense.

Depreciation Expense	\$(45,039)	
Capital Outlay	<u>51,654</u>	6,615

Repayments of Long-Term Debt	25,000
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An internal service fund is used by management to charge the costs of
certain equipment usage to individual governmental funds. A portion
of the net revenue (expense) is reported with governmental activities.

	<u>15,368</u>
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ <u>93,170</u>
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See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
MARCH 31, 2008

	Business-Type Activities <u>Enterprise Funds</u>			<u>Internal Service Funds</u> Motor Pool
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	
ASSETS				
Current Assets:				
Cash & Cash Equiv.	\$ 196,990	\$ 201,246	\$ 398,236	\$ 6,889
Receivables	<u>52,422</u>	<u>34,314</u>	<u>86,736</u>	
TOTAL CURRENT ASSETS	\$ <u>249,412</u>	\$ <u>235,560</u>	\$ <u>484,972</u>	\$ <u>6,889</u>
Capital Assets	\$2,994,865	\$3,025,454	\$6,020,319	\$221,501
Less: Accum. Deprec.	<u>(1,065,042)</u>	<u>(943,782)</u>	<u>(2,008,824)</u>	<u>(161,499)</u>
NET PROPERTY, PLANT & EQUIPMENT	\$ <u>1,929,823</u>	\$ <u>2,081,672</u>	\$ <u>4,011,495</u>	\$ <u>60,002</u>
Restricted Assets				
Cash & Cash Equiv.	<u>183,612</u>	<u>156,411</u>	<u>340,023</u>	
Restricted Assets				
Unamortized Bond Disc. & Financing Costs	<u>37,186</u>	<u>31,677</u>	<u>68,863</u>	
TOTAL ASSETS	\$ <u>2,400,033</u>	\$ <u>2,505,320</u>	\$ <u>4,905,353</u>	\$ <u>66,891</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 4,301	\$ 5,331	\$ 9,632	\$ 91
Due to Other Funds	<u>1,269</u>	<u>1,113</u>	<u>2,382</u>	
Current Portion of Non- Current Liabilities	<u>89,100</u>	<u>75,900</u>	<u>165,000</u>	
Accrued Interest Payable	<u>25,213</u>	<u>21,477</u>	<u>46,690</u>	
TOTAL CURRENT LIAB.	\$ <u>119,883</u>	\$ <u>103,821</u>	\$ <u>223,704</u>	\$ <u>91</u>
Non-Current Liabilities				
Bonds, Notes & Loans Payable	\$ <u>853,200</u>	\$ <u>726,800</u>	\$ <u>1,580,000</u>	
TOTAL LIABILITIES	\$ <u>973,083</u>	\$ <u>830,621</u>	\$ <u>1,803,704</u>	\$
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	\$ 987,523	\$1,278,972	\$2,226,495	\$ 60,002
Reserved for Restricted Assets	<u>183,612</u>	<u>156,411</u>	<u>340,023</u>	
Other Unrestricted	<u>255,815</u>	<u>239,316</u>	<u>495,131</u>	<u>6,798</u>
TOTAL NET ASSETS	\$ <u>1,426,950</u>	\$ <u>1,674,699</u>	\$ <u>3,101,649</u>	\$ <u>66,800</u>

See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED MARCH 31, 2008

	<u>Business-Type Activities</u> <u>Enterprise Funds</u>			<u>Internal</u> <u>Service Funds</u>
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	<u>Motor</u> <u>Pool</u>
OPERATING REVENUES:				
Charges for Services	\$ 202,034	\$ 162,668	\$ 364,702	\$ 42,312
Connection & Tap Charges	15,054	7,449	22,503	
Penalties	6,135	4,406	10,541	
Other Income	9,898	1,257	11,155	
TOTAL OPERATING REV.	\$ <u>233,121</u>	\$ <u>175,780</u>	\$ <u>408,901</u>	\$ <u>42,312</u>
OPERATING EXPENSE:				
Salaries & Benefits	\$ 33,302	\$ 29,277	\$ 62,579	\$
Outside Labor	14,812	1,903	16,715	
Supplies/Rentals	20,624	23,170	43,794	18,138
Other Services & Charges	16,818	14,996	31,814	
Repairs & Maintenance	16,397	5,883	22,280	
Depreciation/Amortization	57,037	59,185	116,222	7,851
	\$ <u>158,990</u>	\$ <u>134,414</u>	\$ <u>293,404</u>	\$ <u>25,989</u>
OPERATING INCOME (LOSS)	\$ <u>74,131</u>	\$ <u>41,366</u>	\$ <u>115,497</u>	\$ <u>16,323</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest & Investment Rev.	\$ 15,256	\$ 11,252	\$ 26,508	\$ 211
Interest & Investment Exp.	(63,928)	(54,457)	(118,385)	(1,166)
TOTAL NON-OPERATING REV. (EXPENSES)	\$ <u>(48,672)</u>	\$ <u>(43,205)</u>	\$ <u>(91,877)</u>	\$ <u>(955)</u>
INCOME (LOSS) BEFORE TRANSFERS	\$ 25,459	\$ (1,839)	\$ 23,620	\$ 15,368
Transfers In-Other Funds	\$	\$	\$	\$
Transfers In-Component	32,977	58,091	91,068	
Transfers Out-Component				
Transfers Out-Other Funds	<u>32,977</u>	<u>58,091</u>	<u>91,068</u>	<u></u>
Change in Net Assets	\$ 58,436	\$ 56,252	\$ 114,688	\$ 15,368
Net Assets – Beginning of Year	<u>1,368,514</u>	<u>1,618,447</u>	<u>2,986,961</u>	<u>51,432</u>
NET ASSETS – END OF YEAR	\$ <u>1,426,950</u>	\$ <u>1,674,699</u>	\$ <u>3,101,649</u>	\$ <u>66,800</u>

See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED MARCH 31, 2008

	Business-Type Activities Enterprise Funds			Internal Service Funds
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	<u>Motor Pool</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipt from Customer	\$ 210,644	\$ 158,700	\$ 369,344	\$ 42,311
Payments to Suppliers	(72,467)	(47,155)	(119,622)	(18,106)
Payments to Employees	(31,805)	(28,075)	(59,880)	
Other Receipts (Payments)	<u>42,875</u>	<u>45,507</u>	<u>88,382</u>	<u> </u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ <u>149,247</u>	\$ <u>128,977</u>	\$ <u>278,224</u>	\$ <u>24,205</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:				
Retirement of Debt	\$ (86,400)	\$ (73,600)	\$(160,000)	\$(20,550)
Interest & Fiscal Chgs. Paid	<u>(66,196)</u>	<u>(56,389)</u>	<u>(122,585)</u>	<u>(1,165)</u>
NET CASH USED FOR CAPITAL & RELATED FINANCING ACTIVITIES	\$(152,596)	\$(129,989)	\$(282,585)	\$(21,715)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Revenue	<u>15,256</u>	<u>11,252</u>	<u>26,508</u>	<u>211</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIV.	\$ 11,907	\$ 10,240	\$ 22,147	\$ 2,701
CASH & CASH EQUIVALENTS BEGINNING OF YEAR – RESTATED				
	<u>368,695</u>	<u>347,417</u>	<u>716,112</u>	<u>4,188</u>
CASH & CASH EQUIVALENTS END OF YEAR	\$ <u>380,602</u>	\$ <u>357,657</u>	\$ <u>738,259</u>	\$ <u>6,889</u>

See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED MARCH 31, 2008

	Business-Type Activities <u>Enterprise Funds</u>			<u>Internal Service Funds</u>
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	<u>Motor Pool</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$107,108	\$ 86,873	\$193,981	\$ 16,323
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	53,439	56,119	109,558	7,851
Amortization	3,598	3,066	6,664	
Change in Assets & Liabilities:				
Receivables/Prepays	(15,525)	(5,411)	(20,936)	
Accounts Payable	2,895	(9,738)	(6,843)	31
Accrued Interest Payable	<u>(2,268)</u>	<u>(1,932)</u>	<u>(4,200)</u>	<u> </u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$149,247</u>	<u>\$128,977</u>	<u>\$278,224</u>	<u>\$ 24,205</u>

See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
MARCH 31, 2008

	<u>Agency Funds</u>
ASSETS:	
Cash	\$ <u>33,280</u>
TOTAL ASSETS	\$ <u>33,280</u>
LIABILITIES:	
Due to Other Funds	\$ 20,848
Due to Other Governmental Units	<u>12,432</u>
TOTAL LIABILITIES	<u>\$33,280</u>

See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Webberville conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies used by the Village.

COMPONENT UNITS

The accompanying financial statements present the Village's primary government and component units over which the Village exercises significant influence. Significant influence was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligation of the Village to finance any deficits that may occur or receipt of significant subsidies from the Village. Component units that do not meet the criteria for blending are reported discretely.

Component units that are reported in the Village's Government-Wide Financial statements are shown in the following table:

<u>Blended Component Units Reported with the Primary Government</u>	<u>Brief Description and Relationship to the Village</u>	<u>Reporting Funds</u>
Webberville Bldg. Auth. (WBA)	Charged with responsibility of building and financing repairs and major improvements to the Village Hall and Library. Village Council members serve as trustees.	Webberville Bldg. Authority Fund (Capital Projects Fund)
Cultural Center Bldg.	Used to set aside monies for repairs and maintenance and improvements to the Webberville Cultural Center. Village Council members serve as Trustees.	Cultural Center Bldg. Expense Fund Capital Projects Fund
<u>Discretely Reported Component Units</u>	<u>Brief Description of Activities Relationship to the Village</u>	
Downtown Develop. Auth.	Used for the administration of the Authority and planning of improvements in the downtown district. Financing for DDA Operations was provided by the General Fund. Village Council members serve as trustees.	

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Changes in Net Assets) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activities has been removed from these statements. Governmental activities, normally supported by taxes and inter-governmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants who purchase, use or directly benefit from goods, or privilege provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items properly excluded from program revenue are reported as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter excluded from the governmental-wide financial statements. Major individual governmental funds and the major enterprise funds are reported in separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. When an expense is incurred for purposes for which both restricted and unrestricted net asset are available, restricted resources are applied first.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT
PRESENTATION (CONTINUED)

Those revenues susceptible to accrual are property taxes, special assessments, licenses, interest revenue, and charges for services. Sales taxes collected and held by the state at year end on behalf of the government also are recognized as revenue. Fines, permits, and parking meter revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The government reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Municipal Street Fund – The Municipal Street Fund is used to account for taxes segregated for street oriented operations.

The government reports the following major proprietary funds:

Water and Sewer Fund – To account for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, (utility director), operations, maintenance, financing and related debt service, and billing and collection.

In addition, the government reports the following non-major governmental funds:

Major Street Fund – Major Street Fund is used to receive all Major Street monies paid to the Village by the state, to account for monies received from special tax levies for street improvement purposes, to account for monies received from General Fund contributions and to account for construction, maintenance and other authorized operations to all streets classified as Major Street.

Local Street Fund – Local Street Fund is used to receive all Local Street monies paid to the Village by the state, to account for monies received from special tax levies for street improvement purposes, to account for monies received from General Fund contributions and to account for construction, maintenance and other authorized operations to all streets classified as Local Street.

Drain Fund – Drain Fund is used to account for taxes segregated for drain expenditures.

New Equipment Fund – New Equipment Fund is used to segregate monies set aside from various fund contributions to finance the purchase of equipment which may be used by several funds.

Sidewalk Fund – The Sidewalk Fund is used to segregate monies set aside to finance the Village's portion of sidewalk construction.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2008

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT
PRESENTATION (CONTINUED)

Additionally, the government reports the following fund types:

Internal Service Funds – The Internal Service Fund accounts for the financing of goods or services by one department or agency to other departments or agencies of the Village, or to other governments, on a cost-reimbursement basis.

Agency Funds – The Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenue include (1) charges to customers or applicant for goods, services, or privileges provided (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the proprietary funds, related to charges to customers for water sales and services and sewage disposal charges. The Water and Sewer Fund also recognizes tap fees intended to recover current costs (e.g. labor and materials to hook up new customers) as operating revenue. Connection fees intended to recover the cost of the infrastructure is recognized as non-operating revenue. Operating expenses for proprietary funds include the cost of water, sewage disposal, operations and maintenance, general and administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reporting as non-operating revenue and expenses.

ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

Cash and Investments – The Village has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with a maturity of 3 months or less when acquired.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

Receivables and Payables – In general, outstanding balances between funds are reported as "due to/from other fund" activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds". Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

Prepaid items – Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets – Certain revenue bonds of the Enterprise Funds require amounts to be set aside for bond reserve. These amounts have been classified as restricted investments.

Capital Assets – Capital assets, which include property, plant, equipment, infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government assets with an initial individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The Village began recording governmental infrastructure constructed on or after July 1, 2003 as followed by GASB 34.

Property, Plant and Equipment is depreciated using the straight line method over the following useful lives.

Land Improvements	10 to 20 years
Building and Building Improvements	25 to 40 years
Utility Systems	25 to 40 years
Roads	25 years
Other Infrastructure	20 to 40 years
Vehicles	5 to 10 years
Machinery and Equipment	5 to 10 years

Long-term obligation – In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net assets.

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

COMPARATIVE DATA

Comparative data is not included in the Village's financial statements.

BUDGETS AND BUDGETARY ACCOUNTING

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the beginning of the fiscal year, the clerk submits to the Village Council a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted in the Village to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted through passage of an ordinance.
4. The clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Village Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Projects Funds, Enterprise and Internal Service Funds and the discretely presented component unit.
6. Budgets for the general, special revenue, capital projects funds and the discretely presented component unit are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. The DDA budget is based upon a fiscal year which matches the Village's fiscal year.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY TAXES

Property taxes attach an enforceable lien on property by the county. Taxes are levied on June 30, and payable on October 20. The Village bills and collects its own property taxes. Property tax revenues are recognized when levied to the extent that they result in current receivables. The Village is permitted by the Municipal Finance Law of the State to levy taxes up to 15 mills total. The Village Council has allocated 9.9453 mills for governmental services, 0.6628 mills for drain improvement, and 2.5919 mills for the Municipal Street Fund.

NOTE B – CHANGES IN GENERAL FIXED ASSETS

A summary of proprietary fund type property, plant and equipment at March 31, 2008, is as follows:

	<u>Enterprise</u>	<u>Internal Service</u>
Utility Plant	\$6,020,319	\$
DPW Equipment		<u>221,501</u>
	<u>\$6,020,319</u>	<u>\$221,501</u>
Less: Accumulated Depreciation	<u>2,008,824</u>	<u>161,499</u>
NET	<u>\$4,011,495</u>	<u>\$ 60,002</u>

Depreciation expense for the year ended March 31, 2008 is \$116,222.

Property, Plant and Equipment are recorded in the Village's records at cost. Depreciation is computed by the straight-line method using lives of 25 to 75 years.

NOTE C – DEPOSITS

Michigan Compiled Laws, Section 129.91 authorizes the Village to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other obligations of the United States, or any agency of instrumentality of the United States. United States government or federal agency obligations; repurchase agreements, bankers acceptance of United States Banks, commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase, obligations of the State of Michigan or any of its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2008

NOTE C – DEPOSITS (CONTINUED)

The Village of Webberville's deposits and investment policy are in accordance with statutory authority.

At year end the carrying amount of the Village's deposits with financial institutions including \$27 of petty cash was \$1,404,427 and the bank balance was \$1,397,219. Of the bank balance \$200,000 was covered by federal depository insurance and \$1,197,219 was insured and uncollateralized.

The DDA's deposits at March 31, 2008 were \$456,478 of which \$100,000 was insured.

On October 3, 2008 as part of the Economic Stabilization Act of 2008, the insured limit was raised temporarily to \$250,000 for demand deposits and \$250,000 for time deposits for governmental units.

NOTE D – WATER AND SEWER NOTES

Discounts on bonds issued and financing costs are being amortized over the period bonds are outstanding on a straight-line basis.

Village Ordinance requires certain fund requirements for the Water System. Due to the length of these requirements, they are not all listed in these financial statements; however, at March 31, all fund requirements have been fulfilled.

WASTE AND WASTEWATER REVENUE AND REFUNDING BONDS, SERIES 1994

In 1994, the Village issued water and wastewater revenue and refunding bonds in the amount of \$3,310,000, less \$28,449 original issue discount and \$66,200 underwriters discount were issued. Proceeds were used to retire various outstanding water and sewer bonds and provide funds as required under various grants for development of the Village's Industrial Park.

The 1994 bonds consist of serial bonds which are payable on November 1, from 1994 through 2005 and term bonds of which \$1,145,000 matures on November 1, 2001 and \$1,060,000 matures on November 1, 2018. Interest is payable, at rates from 3.5% to 6.5%, on May 1, and November 1, each year. A separate schedule details the annual obligations. One sixth of monthly water and sewer receipts is transferred to the 1994 Bond and Interest Redemption Fund to pay these obligations. The balance on these bonds is \$1,745,000 at March 31, 2008.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2008

NOTE E - CHANGES IN LONG-TERM LIABILITIES

During the fiscal year ended March 31, 2004, the Village of Webberville Downtown Development Authority issued the Downtown Development Bonds, Series 2003 in the amount of \$1,075,000. The bonds were issued for the purpose of paying the balance of the Hawley and Mason properties and other capital improvements projects.

The bond is a draw bond with principal to be drawn not later than December 30, 2005. The aggregate amount of draws shall not exceed \$1,075,000. Interest is payable each November 1, and May 1, each year. Principal repayments in the amount of \$59,722 shall commence May 1, 2006. The interest rate is determined by subsequent determination of the principal stated by bond holder. The rate for the taxable interest is based on the Wall Street Journal Prime rate plus ½ percentage point and the interest rate for non-taxable interest is 4.09%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 59,722	\$16,045	\$ 75,767
2009	59,722	12,930	72,652
2010	59,722	9,814	69,536
2011	59,722	6,696	66,418
2012	59,722	3,579	63,301
Thereafter	<u>38,734</u>	<u>1,011</u>	<u>39,745</u>
	<u>\$337,344</u>	<u>\$50,075</u>	<u>\$387,419</u>

WATER AND WASTEWATER REVENUE AND REFUNDING BONDS, SERIES 1994

<u>Year Ended</u> <u>March 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 165,000	\$112,055	\$ 277,055
2010	170,000	101,660	271,660
2011	170,000	90,950	260,950
2012	180,000	80,240	260,240
2013	180,000	68,900	248,900
2014	195,000	57,200	252,200
2015	125,000	44,525	169,525
2016	130,000	36,400	166,400
2017	135,000	27,950	162,950
2018	145,000	19,175	164,175
2019	<u>150,000</u>	<u>9,750</u>	<u>159,750</u>
	<u>\$1,745,000</u>	<u>\$648,805</u>	<u>\$2,393,805</u>

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2008

NOTE E – CHANGES IN LONG-TERM LIABILITIES (CONTINUED)

BUILDING AUTHORITY BONDS

The Webberville Building Authority issued \$350,000 of bonds in 1991, for the construction of a village library and hall. These bonds bear interest ranging from 6.4% to 7.25% per annum. Bonds maturing after May 1, 2002 are subject to redemption prior to maturity at the option of the authority with premium. The bonds are secured by the full faith and credit of the Village. The bonds are further detailed in a separate schedule. The balance of these bonds is \$120,000 at March 31, 2008.

Annual debt service to maturity, including interest at \$22,838, is as follows:

<u>Year Ended</u> <u>March 31,</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2009	\$ 8,700	\$ 25,000	\$ 33,700
2010	6,888	30,000	36,888
2011	4,712	30,000	34,712
2012	<u>2,538</u>	<u>35,000</u>	<u>37,538</u>
	<u>\$22,838</u>	<u>\$120,000</u>	<u>\$142,838</u>

NOTE F – EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

P.A. 621 of 1978, Section 18 (a) as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Village's actual expenditures and budgeted expenditures for the funds have been shown on a line item basis. The approved budgets of the Village for these funds were adopted to the line item level.

<u>Primary Gov't Funds</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Variance</u>
Legal & Professional	\$ 29,400	\$ 29,786	\$ 386
Public Safety	320,250	322,515	2,265
Public Works	110,900	113,029	2,129

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2008

NOTE G – RECEIVABLES

Receivables as of year-end for the government's individual major and non-major funds, and the internal service and fiduciary funds in the aggregate are as follows:

	<u>General</u>	<u>Sewer</u>	<u>Water</u>	<u>Internal Service & Other Gov't</u>	<u>Total</u>
Accts. Rec.-Billings	\$13,450	\$52,422	\$34,314	\$	\$100,186
Special Assessments				17,894	17,894
Personal Delinquents	<u>662</u>			<u>172</u>	<u>834</u>
GROSS RECEIVABLES	<u>\$14,112</u>	<u>\$52,422</u>	<u>\$34,314</u>	<u>\$18,066</u>	<u>\$118,914</u>
Due within one year	\$14,112	\$52,422	\$34,314	\$18,066	\$118,914
Due after one year	<u>\$14,112</u>	<u>\$52,422</u>	<u>\$34,314</u>	<u>\$18,066</u>	<u>\$118,914</u>

NOTE H – CAPITAL ASSETS

Capital assets activity of the primary government for the current year was as follows:

	<u>Balance 3-31-07</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 3-31-08</u>
GOVERNMENTAL ACTIVITIES:				
Capital Assets not being Depreciated:				
Land	\$ 70,208	\$	\$	\$ 70,208
Capital Assets being Depreciated:				
Buildings	593,188			593,188
Office Equipment	54,320			54,320
Infrastructure	243,112	51,654		294,766
Motor Pool Equipment	221,501			221,501
General-DPW Equipment	173,732			173,732
Sidewalk Project	<u>29,085</u>			<u>29,085</u>
CAPITAL ASSETS BEING DEPRECIATED	<u>\$1,314,938</u>	<u>\$51,654</u>	<u>\$</u>	<u>\$1,366,592</u>

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2008

NOTE H – CAPITAL ASSETS (CONTINUED)

	Balance 3-31-07	Increases	Decreases	Balance 3-31-08
LESS ACCUMULATED DEPRECIATION FOR:				
Buildings	\$ 275,455	\$ 18,614	\$	\$ 294,069
Office Equipment	30,721	5,560		36,281
Infrastructure	26,947	13,447		40,394
Motor Pool Equipment	153,648	7,851		161,499
General-DPW Equipment	163,673	6,448		170,121
Sidewalk Project	<u>2,760</u>	<u>970</u>		<u>3,730</u>
ACCUMULATED DEPREC.	\$ 653,204	\$ 52,890	\$	\$ 706,094
Net Capital Assets being Depreciated	<u>661,734</u>	<u>(1,236)</u>		<u>660,498</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ <u>731,942</u>	\$ <u>(1,236)</u>	\$	\$ <u>730,706</u>
BUSINESS-TYPE ACTIVITIES:				
Capital Assets not being Depreciated:				
Land	\$ <u>71,629</u>	\$	\$	\$ <u>71,629</u>
CAPITAL ASSETS BEING DEPRECIATED:				
Mains, Wells, Collection & Treatment Facilities	\$5,875,231	\$ 14,303	\$	\$5,889,534
Machinery & Equipment	<u>59,156</u>			<u>59,156</u>
CAPITAL ASSETS BEING DEPRECIATED	\$5,934,387	\$ 14,303	\$	\$5,948,690
LESS ACCUMULATED DEPRECIATION FOR:				
Mains, Wells, Collection & Treatment Facilities	\$1,872,196	\$106,631	\$	\$1,978,827
Machinery & Equipment	<u>27,071</u>	<u>2,926</u>		<u>29,997</u>
ACCUMULATED DEPREC.	\$1,899,267	\$109,557	\$	\$2,008,824
Net Capital Assets being Depreciated	<u>4,035,120</u>	<u>(95,254)</u>		<u>3,939,866</u>
BUSINESS TYPE CAPITAL ASSETS, NET	\$ <u>4,106,749</u>	\$ <u>(95,254)</u>	\$	\$ <u>4,011,495</u>

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2008

NOTE H – CAPITAL ASSETS (CONTINUED)

Government Activities:	
General Government	\$ 31,592
Internal Service	7,851
Infrastructure	<u>13,447</u>
TOTAL GOVERNMENT ACTIVITIES	\$ <u>52,890</u>
Business-Type Activities:	
Water	\$ 56,118
Sewer	<u>53,439</u>
TOTAL BUSINESS-TYPE ACTIVITIES	\$ <u>109,557</u>

NOTE I – INTER-FUND RECEIVABLES AND PAYABLES

The amounts of interfund receivables and payables are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Fund</u>	<u>Due to Other Funds</u>	
General	\$11,357	General	\$ 4,599	Overpymt
Municipal Street	705	Major Street	1,919	Overpymt
Local Street	3,838	Drain	569	Overpymt
Major Street	2,544	Tax	6,273	Interest
		Water/Sewer		
		Miscellaneous	<u>5,084</u>	Utilities
	<u>\$18,444</u>		<u>\$18,444</u>	

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2008

NOTE J – INTERFUND OPERATING TRANSFERS

	Transfer From <u>Other Funds</u>	Transfer from <u>Component Units</u>	Transfer from Primary <u>Government</u>
General	\$	\$ 30,000	\$146,522
Local Street	63,000		
Water		30,000	
Bond Int. & Redemption		61,068	
Sidewalk	12,000		
Major	5,000		
Municipal Street			<u>38,252</u>
	<u>\$ 80,000</u>	<u>\$121,068</u>	<u>\$184,744</u>

	Transfers to <u>Other Funds</u>	Transfer to Primary <u>Government</u>	Transfer to <u>Component</u>
Municipal Street	\$ 80,000	\$	\$ 38,252
General		30,000	146,522
Water		30,000	
Bond Interest Redemption		<u>61,068</u>	
	<u>\$ 80,000</u>	<u>\$121,068</u>	<u>\$184,774</u>

NOTE K – RETIREMENT

As of April 1, 1995, the Village is a member of the Municipal Employees Retirement System (MERS). Full-time employees contribute, on a pre-tax basis, 5.5% of their gross wage. The actuary has determined the Village's contributions to be \$15,624 for the year ended March 31, 2008 at a rate of 11.01%. Each year the quarterly contribution is recalculated based on the actual wage paid to employees during the prior fiscal year. During the year, \$14,374 was paid to MERS. The pension covered \$141,910 of the Village's payroll. At March 31, 2008 \$3,750 was still due MERS for March, 2008, including an additional voluntary contribution of \$2,500 by the Village.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF WEBBERVILLE
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED MARCH 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Actual</u> <u>(Over) Under</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes & Penalties	\$ 537,150	\$ 524,600	\$ 513,265	\$ 11,335
Licenses & Permits	10,600	4,400	4,400	
State Grants/Shared Revenues	145,000	145,000	162,945	(17,945)
Charges for Services	50,400	52,000	52,330	(330)
Fines & Forfeitures	4,400	4,150	6,680	(2,530)
Interest & Rentals	7,400	12,000	18,696	(6,696)
Other Revenue	<u>7,800</u>	<u>65,000</u>	<u>51,875</u>	<u>13,125</u>
TOTAL REVENUES	\$ <u>762,750</u>	\$ <u>807,150</u>	\$ <u>810,191</u>	\$ <u>(3,041)</u>
EXPENDITURES:				
Current:				
Legislative	\$ 15,000	\$ 18,200	\$ 14,375	\$ 3,825
General Government	201,822	198,922	189,931	8,991
Public Safety	328,750	320,250	322,515	(2,265)
Public Works	100,400	110,900	113,029	(2,129)
Recreation & Culture	2,000	2,700	2,692	8
Debt Service	<u>34,570</u>	<u>34,570</u>	<u>33,845</u>	<u>725</u>
TOTAL EXPENDITURES	\$ <u>682,542</u>	\$ <u>685,542</u>	\$ <u>676,387</u>	\$ <u>9,155</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>80,208</u>	\$ <u>121,608</u>	\$ <u>133,804</u>	\$ <u>(12,196)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	\$ 30,000	\$ 30,000	\$ 30,000	\$
Transfers Out	<u>(120,000)</u>	<u>(147,000)</u>	<u>(146,522)</u>	<u>(478)</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$ (90,000)	\$ (117,000)	\$ (116,522)	\$ (478)
Net Change in Fund Balance	\$ (9,792)	\$ 4,608	\$ 17,282	\$ (12,674)
Fund Balance – Beginning	<u>38,944</u>	<u>38,944</u>	<u>38,944</u>	<u>_____</u>
FUND BALANCE – ENDING	\$ <u>29,152</u>	\$ <u>43,552</u>	\$ <u>56,226</u>	\$ <u>(12,674)</u>

VILLAGE OF WEBBERVILLE
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE
MUNICIPAL STREET FUND
YEAR ENDED MARCH 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Actual (Over) Under Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property Taxes	\$ 156,700	\$ 135,500	\$ 131,143	\$ 4,357
Interest	<u>1,000</u>	<u>1,000</u>	<u>2,238</u>	<u>(1,238)</u>
TOTAL REVENUES	\$ <u>157,700</u>	\$ <u>136,500</u>	\$ <u>133,381</u>	\$ <u>3,119</u>
EXPENDITURES:				
Ingham Co. Drain	\$ <u>15,500</u>	\$ <u>33,000</u>	\$ <u>32,800</u>	\$ <u>200</u>
TOTAL EXPENDITURES	\$ <u>15,500</u>	\$ <u>33,000</u>	\$ <u>32,800</u>	\$ <u>200</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>142,200</u>	\$ <u>103,500</u>	\$ <u>100,581</u>	\$ <u>2,919</u>
OTHER FINANCING (USES):				
Transfers Out – Other Funds	\$(138,768)	\$ (80,000)	\$ (80,000)	\$
Transfers Out-Component Unit	<u>(33,000)</u>	<u>(38,000)</u>	<u>(38,252)</u>	<u>252</u>
TOTAL OTHER FINANCING (USES)	\$(171,768)	\$(118,000)	\$(118,252)	\$ 252
Net Change in Fund Balance	\$ (29,568)	\$ (14,500)	\$ (17,671)	\$ 3,171
Fund Balance – Beginning	<u>59,071</u>	<u>59,071</u>	<u>59,071</u>	<u>_____</u>
FUND BALANCE – ENDING	\$ <u>29,503</u>	\$ <u>44,571</u>	\$ <u>41,400</u>	\$ <u>3,171</u>

OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF WEBBERVILLE
OTHER SUPPLEMENTAL INFORMATION
COMPARATIVE BALANCE SHEET
GENERAL FUND
MARCH 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
ASSETS:		
Cash & Cash Equivalents	\$132,277	\$129,208
Accounts Receivable – Trash Billings	13,450	10,420
Accounts Receivable – Personal Delinquents	662	22,011
Due from Other Funds	20,014	1,218
Due from State of Michigan	<u>19,305</u>	<u> </u>
TOTAL ASSETS	<u>\$185,708</u>	<u>\$162,857</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts Payable	\$ 93,047	\$ 91,604
Payroll Taxes Payable	3,211	2,823
Accrued Interest Payable	3,625	4,350
Bonds Payable	25,000	25,000
Due to Other Funds	<u>4,599</u>	<u>136</u>
TOTAL LIABILITIES	\$129,482	\$123,913
Fund Balance	<u>56,226</u>	<u>38,944</u>
TOTAL FUND BALANCE	\$ <u>56,226</u>	\$ <u>38,944</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$185,708</u>	<u>\$162,857</u>

VILLAGE OF WEBBERVILLE
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
GENERAL FUND
YEAR ENDED MARCH 31, 2008

	<u>Budgeted Amounts</u>			Actual (Over) Under Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES:				
Current Tax Levy	\$537,150	\$524,600	\$513,265	\$ 11,335
Licenses & Permits	10,600	4,400	4,400	
Intergovernmental-State	145,000	145,000	162,945	(17,945)
Charges for Services	50,400	52,000	52,330	(330)
Fines & Forfeitures	4,400	4,150	6,680	(2,530)
Interest & Rents	7,400	12,000	18,696	(6,696)
Other Revenues & Reimb.	<u>7,800</u>	<u>65,000</u>	<u>51,875</u>	<u>13,125</u>
TOTAL REVENUES	<u>\$762,750</u>	<u>\$807,150</u>	<u>\$810,191</u>	<u>\$ (3,041)</u>
EXPENDITURES:				
Legislative	\$ <u>15,000</u>	\$ <u>18,200</u>	\$ <u>14,375</u>	\$ <u>3,825</u>
General Government:				
General Administration	\$ 15,022	\$ 13,722	\$ 13,609	\$ 113
Salaries & Benefits	130,400	121,800	113,348	8,452
Legal & Professional	23,900	29,400	29,786	(386)
Insurance	22,000	18,500	18,401	99
Maintenance Supplies	<u>10,500</u>	<u>15,500</u>	<u>14,787</u>	<u>713</u>
TOTAL GENERAL GOV'T	<u>\$201,822</u>	<u>\$198,922</u>	<u>\$189,931</u>	<u>\$ 8,991</u>
Public Safety:				
Police-Contract Serv.	\$320,000	\$315,000	\$317,460	\$ (2,460)
Fire Hydrant Rent	2,500	2,500	2,299	201
Bldg. Inspection/Zoning	<u>6,250</u>	<u>2,750</u>	<u>2,756</u>	<u>(6)</u>
TOTAL PUBLIC SAFETY	<u>\$328,750</u>	<u>\$320,250</u>	<u>\$322,515</u>	<u>\$ (2,265)</u>
Public Works:				
Dept. of Public Works	\$ 11,400	\$ 13,900	\$ 13,355	\$ 545
Street Lights	55,000	63,000	66,255	(3,255)
Refuse Collection	<u>34,000</u>	<u>34,000</u>	<u>33,419</u>	<u>581</u>
TOTAL PUBLIC WORKS	<u>\$100,400</u>	<u>\$110,900</u>	<u>\$113,029</u>	<u>\$ (2,129)</u>

VILLAGE OF WEBBERVILLE
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN
FUND BALANCE COMPARED TO BUDGET (CONTINUED)
GENERAL FUND
YEAR ENDED MARCH 31, 2008

	<u>Budgeted Amounts</u>			Actual (Over) Under <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
EXPENDITURES:				
Recreation & Cultural:				
Parks & Recreation	\$ <u>2,000</u>	\$ <u>2,700</u>	\$ <u>2,692</u>	\$ <u>8</u>
TOTAL PARKS & CULTURAL	\$ <u>2,000</u>	\$ <u>2,700</u>	\$ <u>2,692</u>	\$ <u>8</u>
Debt Service:				
Principal	\$ 25,000	\$ 25,000	\$ 25,000	\$
Interest	<u>9,570</u>	<u>9,570</u>	<u>8,845</u>	<u>725</u>
TOTAL DEBT SERV.	\$ <u>34,570</u>	\$ <u>34,570</u>	\$ <u>33,845</u>	\$ <u>725</u>
TOTAL EXPENDITURES	\$ <u>682,542</u>	\$ <u>685,542</u>	\$ <u>676,387</u>	\$ <u>9,155</u>
EXCESS (DEFIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>80,208</u>	\$ <u>121,608</u>	\$ <u>133,804</u>	\$ <u>(12,196)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	\$ 30,000	\$ 30,000	\$ 30,000	\$
Transfers Out	<u>(120,000)</u>	<u>(147,000)</u>	<u>(146,522)</u>	<u>478</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$ <u>(90,000)</u>	\$ <u>(117,000)</u>	\$ <u>(116,522)</u>	\$ <u>478</u>
Net Change in Fund Balance	\$ (9,792)	\$ 4,608	\$ 17,282	\$ <u>(12,674)</u>
Fund Balance – Beginning	<u>38,944</u>	<u>38,944</u>	<u>38,944</u>	<u> </u>
FUND BALANCE – ENDING	\$ <u>29,152</u>	\$ <u>43,552</u>	\$ <u>56,226</u>	\$ <u>(12,674)</u>

VILLAGE OF WEBBERVILLE
OTHER SUPPLEMENTAL INFORMATION
COMPARATIVE BALANCE SHEET
MUNICIPAL STREET FUND
MARCH 31, 2008 AND 2007

ASSETS

	<u>2008</u>	<u>2007</u>
Cash	\$40,523	\$52,636
A/R – Personal Property Tax	172	5,730
Due from Other Funds	<u>705</u>	<u>705</u>
	<u>\$41,400</u>	<u>\$59,071</u>

LIABILITIES AND FUND BALANCE

Fund Balance	<u>\$41,400</u>	<u>\$59,071</u>
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VILLAGE OF WEBBERVILLE
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES
IN FUND BALANCE COMPARED TO BUDGET
MUNICIPAL STREET FUND
YEAR ENDED MARCH 31, 2008

	<u>Budgeted Amounts</u>			Actual (Over) Under <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES:				
Property Taxes	\$ 156,700	\$ 135,500	\$ 131,143	\$ 4,357
Interest	<u>1,000</u>	<u>1,000</u>	<u>2,238</u>	(1,238)
TOTAL REVENUES	\$ <u>157,700</u>	\$ <u>136,500</u>	\$ <u>133,381</u>	\$ <u>3,119</u>
EXPENDITURES:				
Ingham Co. Drain	\$ <u>15,500</u>	\$ <u>33,000</u>	\$ <u>32,800</u>	\$ <u>200</u>
TOTAL EXPENDITURES	\$ <u>15,500</u>	\$ <u>33,000</u>	\$ <u>32,800</u>	\$ <u>200</u>
EXCESS (DEFIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>142,200</u>	\$ <u>103,500</u>	\$ <u>100,581</u>	\$ <u>2,919</u>
OTHER FINANCING (USES):				
Transfers Out – Other Funds	\$(138,768)	\$ (80,000)	\$ (80,000)	\$
Transfers Out – Component Unit	<u>(33,000)</u>	<u>(38,000)</u>	<u>(38,252)</u>	<u>252</u>
TOTAL OTHER FINANCING (USES)	\$(171,768)	\$(118,000)	\$(118,252)	\$ 252
Net Change in Fund Balance	\$ (29,568)	\$ (14,500)	\$ (17,671)	\$ 3,171
Fund Balance – Beginning	<u>59,071</u>	<u>59,071</u>	<u>59,071</u>	<u> </u>
FUND BALANCE – ENDING	\$ <u>29,503</u>	\$ <u>44,571</u>	\$ <u>41,400</u>	\$ <u>3,171</u>

VILLAGE OF WEBBERVILLE
OTHER SUPPLEMENTAL INFORMATION
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
MARCH 31, 2008

	<u>Special Revenue Funds</u>		<u>Capital Projects Funds</u>		<u>Other Gov't Funds</u>	
	<u>Major Street</u>	<u>Local Street</u>	<u>Drain Fund</u>	<u>Sidewalk Fund</u>	<u>Webberville Building Authority</u>	<u>New Equipment Fund</u> <u>Total Non-Major Gov't Funds</u>
ASSETS						
Cash & Cash Equivalents	\$188,971	\$ 8,203	\$ 98,334	\$117,677	\$7,091	\$41,188
Taxes Receivable – Delinquents			44			\$461,464
Accounts Receivable	2,544	3,838		17,894		17,894
Due from Other Funds	53,771	18,353				6,382
Due from Other State of Michigan	<u>\$245,286</u>	<u>\$30,394</u>	<u>\$ 98,378</u>	<u>\$135,571</u>	<u>\$7,091</u>	<u>72,124</u>
TOTAL ASSETS						<u>\$557,908</u>
LIABILITIES AND FUND EQUITY						
LIABILITIES:						
Accounts Payable	\$ 371	\$ 302	\$ 569	\$ 697	\$	\$ 673
Due to Other Funds	2,904	799				4,969
Payroll Taxes Payable	<u>1,054</u>	<u>1,005</u>	<u></u>	<u></u>	<u></u>	<u>2,059</u>
TOTAL LIABILITIES	<u>\$ 4,329</u>	<u>\$ 2,106</u>	<u>\$ 569</u>	<u>\$ 697</u>	<u>\$</u>	<u>\$ 7,701</u>
FUND BALANCE:						
Reserved	\$ 240,957	\$ 28,288	\$ 97,809	\$ 134,874	\$ 7,091	\$ 550,207
Unreserved						
TOTAL FUND EQUITY	<u>\$240,957</u>	<u>\$28,288</u>	<u>\$ 97,809</u>	<u>\$134,874</u>	<u>\$7,091</u>	<u>\$550,207</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$245,286</u>	<u>\$30,394</u>	<u>\$ 98,378</u>	<u>\$135,571</u>	<u>\$ 7,091</u>	<u>\$557,908</u>

VILLAGE OF WEBBERVILLE
OTHER SUPPLEMENTAL INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
MARCH 31, 2008

	<u>Special Revenue Funds</u>		<u>Capital Projects Funds</u>		<u>Other Gov't Funds</u>	
	<u>Major Street</u>	<u>Local Street</u>	<u>Drain Fund</u>	<u>Sidewalk Fund</u>	<u>Webberville Building Authority</u>	<u>New Equipment Fund</u> <u>Total Non-Major Gov't Funds</u>
REVENUES:						
Taxes & Special Assessments	\$	\$	\$ 33,159	\$ 7,592	\$	\$ 40,751
State Highway Funds	84,605	28,878				113,483
Interest	6,468	739	3,635	3,142	90	15,365
Metro Act Funds	2,544	1,919				4,463
Other Revenues & Reimbursements	264	264	416			944
TOTAL REVENUES	<u>\$ 93,881</u>	<u>\$ 31,800</u>	<u>\$ 37,210</u>	<u>\$ 10,734</u>	<u>\$ 90</u>	<u>\$ 1,291</u> <u>\$ 175,006</u>
EXPENDITURES:						
DPW/Admin. Wages	\$ 18,885	\$ 15,190	\$	\$		\$ 34,075
Equipment Rentals	12,411	4,787				17,198
Supplies	8,147	8,349				16,496
Road Maintenance	5,083	52,867				57,950
Striping	1,667					1,667
Tree Trimming	1,200	1,800				3,000
Traffic Lights	1,030					1,030
Other Expense	2,211	2,084		526		4,821
Professional Fees	12,145	9,403				21,548
Drains	181	210	48,542			48,933
Equipment Purchases						1,712
TOTAL EXPENDITURES	<u>\$ 62,960</u>	<u>\$ 94,690</u>	<u>\$ 48,542</u>	<u>\$ 526</u>	<u>\$</u>	<u>\$ 1,712</u> <u>\$ 208,430</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ 30,921	\$(62,890)	\$(11,332)	\$ 10,208	\$ 90	\$ (421) \$ (33,424)

VILLAGE OF WEBBERVILLE
OTHER SUPPLEMENTAL INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
MARCH 31, 2008

	<u>Special Revenue Funds</u>			<u>Capital Project Funds</u>			<u>Other Gov't Funds</u>	<u>Total Non-Major Gov't Funds</u>
	<u>Major Street</u>	<u>Local Street</u>	<u>Drain Fund</u>	<u>Sidewalk Fund</u>	<u>Building Authority</u>	<u>Equipment Fund</u>		
Operating Transfers In	\$ 5,000	\$ 63,000	\$	\$ 12,000	\$	\$		\$ 80,000
Operating Transfers (Out)								
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 5,000</u>	<u>\$ 63,000</u>	<u>\$</u>	<u>\$ 12,000</u>	<u>\$</u>	<u>\$</u>		<u>\$ 80,000</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 35,921	\$ 110	\$ (11,332)	\$ 22,208	\$ 90	\$ (421)		\$ 46,576
Fund Balance -- April 1, 2007	<u>205,036</u>	<u>28,178</u>	<u>109,141</u>	<u>112,666</u>	<u>7,001</u>	<u>41,609</u>		<u>503,631</u>
FUND BALANCE -- MARCH 31, 2008	<u>\$ 240,957</u>	<u>\$ 28,288</u>	<u>\$ 97,809</u>	<u>\$ 134,874</u>	<u>\$ 7,091</u>	<u>\$ 41,188</u>		<u>\$ 550,207</u>

VILLAGE OF WEBBERVILLE
OTHER SUPPLEMENTAL INFORMATION
COMBINING BALANCE SHEET
FIDUCIARY FUNDS
MARCH 31, 2008

(WITH COMPARATIVE TOTALS AT MARCH 31, 2008)

	<u>Agency Funds</u>			
	<u>Tax Collection</u>	<u>Imprest Payroll</u>	<u>Water & Sewer Distribution</u>	<u>Total</u>
ASSETS:				
Cash & Cash Equivalents	<u>\$6,273</u>	<u>\$16,924</u>	<u>\$10,083</u>	<u>\$33,280</u>
TOTAL ASSETS	<u>\$6,273</u>	<u>\$16,924</u>	<u>\$10,083</u>	<u>\$33,280</u>
LIABILITIES:				
Due to Other Funds	\$6,273	\$ 4,492	\$10,083	\$20,848
Due to Others	<u> </u>	<u>12,432</u>	<u> </u>	<u>12,432</u>
TOTAL LIABILITIES	<u>\$6,273</u>	<u>\$16,924</u>	<u>\$10,083</u>	<u>\$33,280</u>

VILLAGE OF WEBBERVILLE
COMPONENT UNIT FUND
BALANCE SHEET – DOWNTOWN DEVELOPMENT AUTHORITY
MARCH 31, 2008

ASSETS:

Cash – Checking	\$ 6,404
Cash – Savings	450,074
Due from other Government Units	<u>31,241</u>
TOTAL ASSETS	<u>\$487,719</u>

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ 6,268
Accrued Interest Payable	<u>9,255</u>
TOTAL LIABILITIES	\$ 15,523

Fund Balance	<u>472,196</u>
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TOTAL LIABILITIES AND FUND BALANCE	<u>\$487,719</u>
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VILLAGE OF WEBBERVILLE
 COMPONENT UNIT FUND
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT
 OF NET ASSETS – DOWNTOWN DEVELOPMENT AUTHORITY
 MARCH 31, 2008

Fund Balance – Governmental Fund	\$472,196
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Amounts reported for the governmental activities in the statement of net assets are different because:

Capital assets (land) used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

The cost of capital assets is	757,926
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Certain liabilities such as notes payable are not due and payable within the current period and therefore not reported in these funds	(337,344)
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NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$892,778</u>
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VILLAGE OF WEBBERVILLE
 COMPONENT UNIT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 DOWNTOWN DEVELOPMENT AUTHORITY
 MARCH 31, 2008

REVENUES:	
Interest	\$ 14,064
Other	<u>337,312</u>
TOTAL REVENUES	\$ <u>351,376</u>
EXPENDITURES:	
Water Project	\$ 82,222
Mowing	658
Property Tax - DDA	5,674
Equipment	1,363
Contracted Serv.	21,459
Legal & Publishing	13,116
Office Expense	885
Engineering	1,247
Recording Salary	850
Long-Term Debt	87,779
Interest Expense	34,934
Drains	223,693
Maintenance – Business Park	4,928
Street Lights	9,881
Easement	<u>5,001</u>
TOTAL EXPENDITURES	\$ 493,690
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$(142,314)
OTHER FINANCING SOURCES (USES):	
Transfers from Primary Gov't.	\$ 194,808
Transfers to Primary Gov't	<u>(131,101)</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$ 63,707
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND TRANSFERS	\$ (78,607)
Fund Balance at April 1,	<u>550,803</u>
FUND BALANCE AT MARCH 31,	\$ <u>472,196</u>

VILLAGE OF WEBBERVILLE
 COMPONENT UNIT FUND
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
 DOWNTOWN DEVELOPMENT AUTHORITY
 YEAR ENDED MARCH 31, 2008

Net Change in Fund Balance	\$(78,607)
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Amounts reported for governmental activities in the statement of activities
 are different because:

Loans payable and subsequent payments are reported as expenditures in
 governmental funds, but the subsequent payments reduce loan balance

In the current year, these amounts consist of:

Loans Payable – Principal Payments	<u>87,779</u>
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ <u>9,172</u>
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Barbara Wenzlick
Bruce Wenzlick

COMMENTS AND RECOMMENDATIONS

September 16, 2008

To the Honorable President
and Village Council
Village of Webberville, Michigan

In compliance with the provisions of Section 11 of Act 2, P.A. of 1968, we wish to render our report of comments and recommendations which were formulated as a result of the examination our firm performed on the financial statements of the Village of Webberville for the year ended March 31, 2008.

BUDGET

The State Revenue Sharing Distribution Law, P.A. 176 of 1980, includes a compliance requirement in budgeting. It is important under this act that expenditures do not exceed the budget. Expenditures include accounts payable at March 31. Budgeted expenditures cannot exceed budgeted revenues plus the beginning fund balance. During our audit we noticed several expenditures exceeded budgeted amounts. Care should be taken that expenditures do not exceed the budget.

WATER AND SEWER MISCELLANEOUS CASH ACCOUNT

During our audit we noted the checking account for utility billing collections had not been reconciled in several months. We also noted there were five deposits from 2007 that had not cleared the bank at the time of our audit. The deposits were subsequently deposited in September 2008 and have cleared.

To prevent losses to the Village, it is important that all monies collected be deposited in a timely manner.

The Village has procedures for reconciling and reviewing other Village accounts on a timely basis. We recommend the Water and Sewer Miscellaneous checking account be reconciled and reviewed by a Council member on a monthly basis.

PAYROLL CHECKING ACCOUNT

The Village has a separate checking account where monies to cover payroll expenses are transferred each month. Entries need to be made into the general ledger to record the transfers. The Village currently has payroll software which can facilitate all the payroll transactions through the Joint General Account.

We recommend the Village consider closing the Payroll account and use the Joint General account for issuing payroll checks. If there is a need to separate payroll checks from vendor checks, the Village may wish to consider having a separate set of check numbers for payroll.

We would like to thank the staff of the Village and Village Council for the excellent cooperation we received for this year's audit. Our firm would be most happy to assist you in any way toward implementing the above recommendations, or any other matter the board may wish to review with us.

Very truly yours,

Dennis and Wenzel, P.C.

Certified Public Accountants